

Message Text

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E.O. 11652: N/A

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SUBJECT: "RENTREE SOCIALE", 1973

REF: PARIS 22658 AND 23599

1. SUMMARY: INFLATION, JOB SECURITY, AND RACISM WERE MAJOR ISSUES UNDERLYING LIST OF LABOR DEMANDS ASSERTED BY CGT'S GEORGES SEGUY AND CFDT'S EDMOND MAIRE IN MAJOR SPEECHES MARKING THE "RENTREE SOCIALE" (OPENING OF THE LABOR YEAR) SEPTEMBER 6-7. PUBLIC AND NATIONALIZED SECTORS PROMISE TO BE AREAS OF GREATEST AGITATION, WITH "RENTREE" CLIMATE DEPENDENT ON DURABILITY OF RANK-AN-FILE PATIENCE WITH RISING PRICES. END SUMMARY.

2. END OF VACATION PERIOD COINCIDED WITH ANNUAL SPECULATION ABOUT SOCIAL "TEMPERATURE" OF AUTUMN "RENTREE". LIP AFFAIR (PARIS 22658) AND PERSISTENT INFLATION, WHICH AGITATED LABOR SCENE DURING SUMMARY MONTHS TO A DEGREE THAT PREVENTED USUAL
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VACATION RESPITE, WILL CONTINUE TO BE MAIN FOCI OF ATTENTION

BY LABOR, MANAGEMENT AND GOF. LIP AFFAIR, IN WHICH WORKERS RESORTED SUCCESSFULLY TO UNORTHODOX AND ILLEGAL MEANS TO DEFEND THEIR JOBS, MAY WELL BECOME CONTAGIOUS, THEREBY DISTURBING TRADITIONAL INDUSTRIAL RELATIONS FRAMEWORK. INFLATION ALSO POSES SERIOUS PROBLEM BECAUSE GOF REFUSES TO TAKE DEFLATIONARY MEASURES WHICH MIGHT RISK AFFECTING EMPLOYMENT RATE.

3. HOWEVER, MOST OBSERVERS ARE CAUTIOUS IN PREDICTING "HOT AUTUMN". THIS CAUTION GROUNDED IN FACT THAT BOOMS ASSOCIATED WITH INFLATION TEND TO SOFTEN PRIVATE EMPLOYERS' RESISTANCE TO WAGE DEMANDS. THIS WAS CONFIRMED BY EXPERIENCE OF LAST 12 MONTHS WHICH RESULTED IN 4 TO 5 PERCENT INCREASE IN WORKERS' REAL WAGES. IN CONTRAST, PUBLIC AND NATIONALIZED SECTORS ARE LEGITIMATE CAUSES FOR CONCERN. WAGES IN THESE SECTORS HAVE NOT KEPT PACE WITH RISING PRICES. PUBLIC AND NATIONALIZED SECTORS, THEREFORE, ARE LIKELY CENTERS OF AGITATION, WITH SNCF (RAILROADS) A PRIME TARGET FOR ACTION- POSSIBLY INCLUDING STRIKE ACTION. BUT, WORKERS MILITANCY HAVING RUN AT A VERY LOW LEVEL FOR SEVERAL MONTHS, KEY QUESTION NOW IS AT WHAT POINT INFLATION WILL CROSS THRESHOLD OF RANK-AND-FILE PATIENCE.

4. TRADITIONALLY, "RENTREE" IS KICKED OFF WITH SPEECHES BY MAJOR TRADE UNION LEADERS. THIS YEAR SEGUY (CGT) LED OFF WITH SPEECH SEPTEMBER 6, FOLLOWED BY A PRESS CONFERENCE BY MAIRE (CFDT) ON SEPTEMBER 7. BOTH LEADERS RECITED LONG LITANY OF FAMILIAR LABOR DEMANDS, FOCUSING FINALLY ON THREE FRONT-BURNER ISSUES: (A) INFLATION AND ITS EROSION EFFECT ON PURCHASING POWER; (B) MOUNTING CONCERN OVER JOB SECURITY; AND (C) IMPACT OF RACISM ON IMMIGRANT LABOR.

5. SPEAKING TO 10,000 OF THE FAITHFUL AT PARIS' SPORTS PALACE ON SEPTEMBER 6, GEORGES SEGUY CONTENDED THAT A NEW COMBATIVE SPIRIT EXISTS AMONG RANK-AND-FILE, AND NEW DETERMINATION TO ACHIEVE THROUGH DIRECT ACTION WHAT HAD NOT BEEN OBTAINED THROUGH MARCH LEGISLATIVE ELECTIONS. RETURNING TO THIS THEME, SEGUY ENDED SPEECH WITH ANOTHER OF HIS MENACING BUT AMBIGUOUS LITTLE PHRASES: "...ONE CANNOT EXCLUDE THE POSSIBILITY THAT THE EVOLUTION OF LABOR CONFLICTS WILL CREATE SITUATION PROPITIOUS FOR THE POLITICAL CHANGES WHICH WE SEEK, AND THAT-WITHOUT AWAITING A DECISIVE ELECTORAL EVENT-THE MAJORITY LIMITED OFFICIAL USE

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WILL OF OUR PEOPLE MIGHT LEGALLY BRING THE LEFT TO POWER" ..., AN EVENTUALITY FOR WHICH SEGUY SAID CGT IS READY.

6. SEGUY'S SPEECH, MORE POLITICAL THAN TRADE UNIONIST IN THRUST, WAS SEVERELY CRITICIZED BY PRESS AS REplete WITH UNIMAGINATIVE, STILTED LANGUAGE AND OLD FASHIONED MARXIST CLICHES. INFLUENTIAL LE MONDE TOOK SEGUY TO TASK FOR FALLACIOUS AND CONTRADICTIONARY ECONOMIC ARGUMENT, AND FOR CLAIM THAT SOCIALIST COUNTRIES WERE

STRANGERS TO PROBLEM OF INFLATION.

7. EDMOND MAIRE, AT A CFDT PRESS CONFERENCE ON 7 SEPTEMBER, ALSO ADVOCATED GREATER MILITANCY AS AFFORDING OPPORTUNITY FOR MORE SOLID UNION OF FORCES OF THE LEFT, AND BEST CHANCE IN YEARS TO EFFECT FUNDAMENTAL SOCIAL AND POLITICAL CHANGES. APPROVING WITH A SLIGHT NUANCE SEGUY'S PHRASE ON THE MEANS OF ACCESSION TO POWER BY THE LEFT, MAIRE SAID THAT, WHEN A MAJORITY WILL FOR CHANGE MANIFESTS ITSELF THROUGH SOCIAL STRUGGLE, IT THEN BECOMES NECESSARY TO "LEGALIZE THE SITUATION THROUGH UNIVERSAL SUFFRAGE". MAIRE WELCOMED WHAT HE TERMED CGT'S "NEW LINE" AND HAILED SEGUY'S CALL FOR NEW CREATIVE FORMS OF WORKER ACTION. MAIRE EXPRESSED HOPE THAT THIS NEW CONVERGENCE OF VIEWS WOULD TAKE THE TWO CONFEDERATIONS BEYOND SIMPLE UNITY OF ACTION TO AGREEMENT ON INTERIM OBJECTIVES DURING TRANSITION TO SOCIALISM-OBJECTIVES SUCH AS THE TYPE OF ECONOMIC GROWTH, DECISION-MAKING AT LOCAL LEVELS, ETC.

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8. FORCE OUVRIERE HAS BEEN UNUSUALLY ACTIVE IN "RENTREE" PERIOD. FO SECRETARY GENERAL BERGERON HAS BEEN PRODIG GOVERNMENT

TO ACT MORE DECISIVELY ON INFLATION, AND TO GRANT EXCEPTIONAL COST-OF-LIVING ADJUSTMENTS IN PUBLIC SECTOR. BERGERON HAS ALSO JOINED IN GENERAL TRADE UNION CONDEMNATION OF CURRENT RACISM.

9. COMMENT: TRADE UNION CONCERN OVER INFLATION NOT DUE ENTIRELY TO EROSION EFFECT ON WORKER PURCHASING POWER, BUT ALSO TO APPREHENSION OVER POSSIBLE EFFECT ON EMPLOYMENT. RETAIL PRICES IN FRANCE, WHICH UNTIL RECENTLY ADVANCED AT RATE ROUGHLY EQUAL TO AVERAGE RATE OF EUROPEAN PARTNERS, HAVE ACCELERATED TO UPPER RANGE OF EUROPEAN PRICE ADVANCE. LIP AFFAIR AND SIMILAR BUT LESS WELL-PUBLICIZED CASES OF WORKER RESISTANCE TO LAY-OFFS REFLECT GROWING OBSESSION WITH JOB SECURITY.

10. ANTI-NORTH AFRICAN SENTIMENT SPARKED BY MARSEILLE MURDER (PARIS 23599) CONSTITUTES SERIOUS SOCIAL, AND POSSIBLY LABOR, PROBLEM. TRADE UNION UNANIMITY IN CONDEMNING RACISM PERHAPS INSPIRED BY HIGHEST MOTIVES-BUT PROBABLY DUE, TOO, TO REALIZED LIMITED OFFICIAL USE

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TION THAT IMMIGRANT WORKERS, REACHING FOR STRIKE WEAPON IN DEFENSE OF THEIR INTERESTS, MAY PREEMPT UNION AUTHORITY IN THIS VITAL AREA. PROSPECT OF FORMATION OF PARALLEL LABOR ORGANIZATIONS NOW SEEMS SLIM, HOWEVER, AS GOF HAS DEPORTED SOME OF POTENTIAL LEADERS.

11. SEGUY'S AMBIGUOUS PHRASE REGARDING ACCESSION TO POWER BY LEFT, WHILE MANAGING ON FACE, IS REGARDED BY SEASONED OBSERVERS HERE AS CAREFULLY CALCULATED ATTEMPT BY CGT TO REFURBISH ITS MILITANT IMAGE IN ORDER TO RETRIEVE TRADE UNION INITIATIVE FROM MAIRE'S CFDT. MAIRE SEEMS TO INTERPRET IT IN THIS LIGHT, NOTING CGT'S NEW TASTE FOR RADICAL RHETORIC AND ESPECIALLY ITS NEW TOLERANCE FOR INITIATIVE "FROM THE BASE". IN PRESENT CONTEXT, PROTESTATIONS OF MILITANCY AND ESCALATING TRADE UNION RHETORIC ARE SEEN MORE AS RELENTLESS CGT/CFDT JOCKEYING FOR POSITION THAN AS SERIOUS THREAT TO DEMOCRATIC INSTITUTIONS. IT IS WORTH RECALLING IN THIS REGARD THAT THERE EXISTS A LEFT WING WITHIN THE CGT ITSELF-AN ELEMENT REQUIRING REASSURANCE THAT IT IS NOT BEING OUTFLANKED ON THE LEFT.

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